

# SPEECH OF MR. M'DUFFIE,

ON THE SUBJECT OF THE

## REMOVAL OF THE DEPOSITES.

DECEMBER 19, 1833.

### THE PUBLIC DEPOSITES.

The amendment proposed by Mr. McDUFFIE to the proposition of Mr. Polk, to refer the report of the Secretary of the Treasury to the Committee of Ways and Means, being under consideration, Mr. McDUFFIE said—

MR. SPEAKER—I shall now proceed, Sir, to state the reasons which have induced me to submit the resolution just read. In strict justice, I believe that it is due to the Bank of the United States, that the public money taken from its vaults should be restored; but as this would now add greatly to the embarrassment and distress of the community, I have confined my resolution to the revenue hereafter to be collected, leaving it to the justice of Congress to indemnify the Bank for any loss it may sustain by the violation of its chartered rights. I believe that we are under the most solemn obligations to adopt this measure—obligations founded in the highest considerations of public justice, plighted faith, and political expediency.

The whole public treasure of the United States has been removed from the depository established by law, by an arbitrary and lawless exercise of Executive power. I affirm that the act has been done by the President of the United States, not only without legal authority, but I might almost say, in contempt of the authority of Congress.

We were told by the President, in his annual message—and told with great gravity—that the *Secretary of the Treasury* had deemed it expedient to remove the deposits from the Bank of the United States, and that he, (the President,) approving of the reasons of the Secretary, acquiesced in the measure. Now, Sir, I do not mean to charge the President of the United States with stating to Congress what is not the fact according to his view of the subject,—but I undertake to assert broadly, that the Secretary of the Treasury did not remove the deposits, but that to all legal and rational intents and

purposes, the removal was made by the President of the United States, *against* the opinion and will of the officer to whom the power of removal was entrusted by law. This, then, is the great legal and constitutional question which we are now to determine. *Who* is it that has removed the public treasure from the depository established by law, and by what authority has the act been done?

I maintain that the President of the United States is the author of this whole proceeding, and shall proceed to show that, notwithstanding the devices by which this assumption of power is covered over and disguised, he has “assumed the responsibility,” or more properly speaking, usurped the power, of removing the deposits. I presume that, on this point at least, the word of the President will be regarded by all parties as conclusive evidence of his agency in the business. Fortunately the author and the reasons of this measure are not left to conjecture, but are openly disclosed to the world in a printed manifesto; and from what has occurred in the other branch of the legislature, we are now authorized to consider that manifesto as an official document, containing the reasons on which the President of the United States—not the *Secretary of the Treasury*—ordered the removal of the public deposits. From that document I propose to read a few sentences, which are perfectly conclusive of the agency of the President in this measure. After stating the various reasons which rendered it, in his opinion, expedient to remove the deposits, the President proceeds to add, “From all these considerations the *President* thinks that the State banks ought to be immediately employed in the collection and disbursement of the public revenue, and the funds now in the Bank of the United States drawn out with all convenient despatch.” Then, towards the conclusion of the document, he says, “The President again repeats that he begs his cabinet to consider the proposed measure as his own.”

support of which he shall require no one of them to make a sacrifice of opinion or principle. *Its responsibility HAS BEEN ASSUMED*, after the most mature deliberation and reflection." And finally we have his decree formally announced in these imperative words: "Under these considerations, he feels that a measure so important to the American people, cannot be commenced too soon; and *he therefore names the first day of October next, as a period proper for the change of the deposits*, or sooner, provided the necessary arrangements with the State banks can be made."

Such, Sir, is the authoritative language of the President of the United States, and I submit to any man capable of understanding the obvious import of plain words, to say whether the Chief Magistrate does not openly avow—while recognizing the exclusive right of the Secretary of the Treasury—that he assumes the responsibility and usurps the power of removing the public deposits.

While the President begs his cabinet to consider the measure as his own, assumes the responsibility exclusively to himself, and actually pronounces the Executive order, it will be curious, if not instructive, to notice the extraordinary declarations and admissions by which this dangerous assumption of power is accompanied. From the parts of the manifesto, to which I will now ask the attention of the House, you would suppose that he would as soon submit to have his right arm struck off as to interfere with the free exercise of judgment by the Secretary of the Treasury, in discharging a duty assigned to him by the law. He says: "Far be it from him to expect or require that any member of the cabinet should, at his request, order, or dictation, do any act which he believes unlawful, or in his conscience condemns." \* \* \* \* "In the remarks he has made on this all important question, he trusts the Secretary of the Treasury will see only the frank and respectful declarations of the opinions which the President has formed on a measure of great national interest, deeply affecting the character and usefulness of his administration; and not a spirit of dictation, which the President would be as careful to avoid as ready to resist." In a preceding part of the document he had said—"The existing laws declare that the deposits of the money of the United States, in places in which the bank and branches thereof may be established, shall be made in the said bank or the branches thereof, unless the *Secretary of the Treasury* shall otherwise order and direct, in which case the Secre-

tary of the Treasury shall *immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reason of such order and direction*. The power of the Secretary over the deposits is unqualified. The provision that he shall report his reasons to Congress is no limitation. Had it not been inserted, he would have been responsible to Congress, had he made a removal for any other than good reasons." Here then the President distinctly admits this power to be committed by the law to the Secretary of the Treasury, and that too under a direct responsibility to Congress, the constitutional guardian of the public Treasury. Yet sir, in the very moment of making this admission, and of disclaiming all intention to exercise the least control over the right of the Secretary of the Treasury, to form an independent judgment on a subject committed to him by the law, what does the President do? He *names the first day of October as the day on which the deposits are to be removed*. And, as if to remove all doubt as to the author and true character of the proceeding, he begs "his cabinet to consider the measure as *his own*." Not only so, Sir, but the determination to remove the deposits was officially announced in the Government paper, three days before the late Secretary of the Treasury was removed from office, showing conclusively that the act was done not only without the concurrence, but against the opinion of the only person then in existence who had a legal right to do it! I am aware that it is argued, that although the Secretary of the Treasury is the officer selected by the law to exercise this high and important power, under an express and direct responsibility to Congress; although the Treasury Department was created as a distinct and independent Department, and not like the other Departments, responsible to the President; and although this very power of transferring the deposits is given in the bank charter to the Secretary of the Treasury, while another power is given to the President; yet, because the Secretary of the Treasury is a branch of the Executive Department, it is contended that the President has a right to make that officer the mere ministerial agent of his will, to degrade him in fact, from the dignity of a free and responsible agent, into a mere Executive instrument. Congress must surely have had some purpose in conferring this power of changing the place of deposit upon the Secretary of the Treasury, while a distinct power was conferred upon the President. Why was not the



power given at once to the President, if it was designed that he should exercise it? It was denied upon the obvious principle, Sir, that nothing can be more dangerous to public liberty, than to entrust the sword and the purse to the same hands. Under what Government, having any just pretensions to freedom, have these two powers ever been united? In what case has the King of England dared to venture upon such an assumption of prerogative? I very much question whether either the King of France, or the King of England, could at this day seize upon the public treasure under similar circumstances, without being subject to a peril, which no President can encounter here—that of losing his head. It has not been long since a King of France lost his crown, and narrowly escaped the loss of his life, or a violation of charter not more flagrant than this we are considering.

And what, pray, was the emergency that constrained the President, only sixty days before the meeting of Congress, to interfere with the duties of another officer, and assume a responsibility that did not belong to him? It would seem from the document to which I have already referred, that nothing could be more painful to the President than the necessity of exercising this power. We have here a striking exemplification of the extraordinary degree in which public men deceive themselves, as well as others, as to the motives by which they are actuated in assuming power, particularly the highest acts of executive power. Instances of the same *reluctant* assumption of power are not rare in history. It is curious to read, as a commentary on his proceedings, the strong terms in which the President regrets the necessity of doing what he could have so easily avoided. "The President would have felt himself relieved from a heavy and painful responsibility, if in the charter of the Bank, Congress had reserved to itself the power of directing at its pleasure, the public money to be elsewhere deposited, and had not devolved that power exclusively"—not on the President—no, sir, but "*on one of the Executive Departments!*" And again: "Although according to the frame and principle of our government, the decision would seem more properly to belong to the legislative power," very sound republican doctrine this—"yet, as the law has imposed it"—not upon the President yet, but "upon the Executive Department, the duty ought to be faithfully and firmly met." "It would ill become the Executive branch of the Government to shrink from any duty which the law imposes

upon it, and fix upon others the responsibility which belongs to itself." Now, at length the idea is presented to us in a new aspect, emerging from the studied ambiguity of "*executive departments, and executive branches,*" and we have it: While the President anxiously wishes to abstain from the exercise of doubtful powers, and to avoid all interference with the rights and duties of others, he must yet, with unshaken constancy, discharge his own obligations." So it would seem that the President has exercised this power from the sheer necessity of the case—a case of great public emergency that admitted of no delay, and that he has assumed this high responsibility with the utmost pain and reluctance! To be sure, sir, every body knows that executive power, especially that high order of executive power which rises above the law, is always assumed with great and unfeigned reluctance. It would have been exceedingly painful to Cæsar to be constrained to assume the kingly office; but Cæsar put by the crown. It was no less painful, as it would seem, to Richard the Third, to accept the bloody crown of his murdered relatives, when urged upon him by the clamor of his own partisans, and by his own procurement, but like the President, he could not resist the call of his countrymen, saying as Shakspeare has it:

"I am not made of stone,  
But penetrable to your kind entreaties,  
Albeit against my conscience and my soul."

Of all the difficulties I have ever encountered in decyphering any document, the greatest is that of ascertaining the ground upon which the power of removing the deposits has been assumed by the President. What does that document import? Does it claim the power of removing the deposits as belonging to the President? Does it admit the power to exist in the Secretary of the Treasury? Does it imply that the removal is the act of the President or of the Secretary? With the utmost exertion of my humble powers of interpretation, I have been unable to decide. I have been so much struck with the resemblance between the ambiguous title to the crown set forth by Henry the IV. of England, and that set up by the President to remove the public deposits, that I could not resist the temptation of looking into Hume for the record of the former document, preserved by the historian as a rare specimen of the *perspicuity* with which men speak when they attempt to justify the usurpation of power. It is in these words:

"In the name of Father, Son, and Holy Ghost, I, Henry of Lancaster, challenge this

rewme of Ynglande, and the crown, with all the membres, and the appurtenances; also I that in descendit by right line of the blode, coming from the Gude King Henry therde, and throughe that right that God of his grace hath sent me, with helpe of Kyn, and of my friendes to recover it; the which rewme was in poynt to be ondone by defaut of governance, and ondoynge of the Gude laws."

Here, sir, is the title of Henry the IV. to the crown of England, and there is the title of the President to the power of removing the deposits. I will not undertake to decide which is the more perspicuous document, but will leave it to be decided by those who have more skill in such comparisons than I have.

Nor is this a mere matter of criticism. I am always disposed to look with respect even upon unfounded pretensions to power, which are clearly and distinctly set forth. But I confess that my alarm is greatly increased, when power is usurped under such glosses and disguises as we find in the manifesto of the President. On reading some parts of this document, one would suppose that no man in the world could have more deference for the opinion of the Secretary of the Treasury, or would be more unwilling to interfere in the slightest degree with the discharge of his official duties than the President himself. He says to the Secretary in substance, this, sir, is a duty which the law has assigned to you; it is your business, and not mine; I have a great repugnance to the exercise of doubtful powers, and still greater to interfering with you in the exercise of a power expressly conferred upon you by the law. Yet in the very moment of making these self denying declarations, and acknowledging the right of the Secretary to decide for himself without the least constraint, he unceremoniously dismisses the Secretary from office because he *will not* sign the order for removing the deposits, and puts into his place a man who *will*. Here, sir, is a practical interpretation of the President's understanding of the right of a high officer to the free exercise of his judgment, in the performance of the duties specifically assigned to him by law. I never have read or heard of any thing that bore any resemblance to the tissue of incoherent and contradictory declarations, contained in this executive manifesto, except in the instance of a judicial decision made by a Dutch judge in some of the interior towns of New York—Kinderhook, perhaps; of which I was informed by a traveller. It was a case involving the right of the free expression of opinion

on political subjects, and it was strongly argued at the bar that this right was secured by the Constitution, and entitled the defendant to a verdict. The judge, who had determined to decide against the defendant, replied to this argument with a most gracious and complacent air: "O yaw! every man has a right, by de law, to dink for himself in dis reublican country, provided he dinks mid de cort." And in like manner, the Secretary of the Treasury had a clear right, by the law, to think and decide for himself, provided he would only be so pliable as to think with the President. But not being possessed of that convenient pliability, he was dismissed from office for not violating his conscience and betraying his trust.

Sir, it is too apparent to be disguised by these bungling devices, that the President of the United States is the officer by whose sole and despotic will the deposits have been removed from the Bank of the United States. He alone is the responsible agent in this transaction. It is an utter perversion of language to say that the Secretary of the Treasury has removed the deposits. It is absolutely false; (I speak in a legal sense,) he had no more agency, moral or legal, than the iron pen by which the order of removal was written. The Secretary of the Treasury remove the deposits! He refused to remove them! and has paid the penalty of his honest independence, by being discarded from office.

Is this to be gotten over and evaded by producing an order signed by the present Secretary of the Treasury, and saying "here is proof conclusive that the removal of the deposits is not the act of the President." Shall we close our eyes to the true origin and character of this order? Shall we not look back beyond it to the circumstances under which it was given, and the real agency by which it was produced.

In what manner, and for what purpose, was the present Secretary of the Treasury brought into office! Sir, he came into office through a breach in the Constitution; and his very appointment was the means of violating the law and the public faith. He was brought *into* his present station to be the instrument of Executive usurpation. And yet, Sir, because his name is attached to the order, we are gravely told that the Secretary of the Treasury removed the deposits! It is an insult to the common sense of the nation to say so. This officer was made to *do* it by the President, who had no more right to remove the public treasure than I have.

Sir, shall we be told that the President, from



the bare fact of his appointing men to office, has a right to assume to himself all the powers conferred upon them by law? He appoints the Federal judges. Let us suppose that these judges hold their offices by the tenure of Executive pleasure; and that when some State prisoner should be under trial, the President should say to the presiding judge—the chief justice for example—“condemn that man,” or as the tyrant Richard said, “I wish the bastards dead.” If the chief justice should refuse to obey this Executive order, and claim the right of judging for himself, would the President be authorized to dismiss him from office? Would he have a right to tear off the ermine from his shoulders, and place it upon a mere instrument who would do the deed of blood? Why not, Sir? It would be perfectly justifiable, according to the logic by which the present usurpation is attempted to be justified.

I will now proceed, Sir, supposing the deposits to have been removed by the Secretary of the Treasury, to examine the reasons he has submitted to Congress in justification of the act. And in the first place, without stopping to weigh the reasons assigned, I affirm that however true in point of fact, they are not in the slightest degree applicable to the question of removing the deposits. They no more touch that question than if they related exclusively to the religious opinions of the bank directors. I allude to the governing reasons, not to those that are thrown in as mere make-weights and after-thoughts. The fact that the power of removing the deposits is given to the Secretary of the Treasury, and not to the President, evinces that it was the intention of Congress that the removal should be made only for reasons connected with the safety of the public treasury, or the facility of the financial operations of the Government. Since the power is thus vested in the officer charged with the administration of the finances, it would be obviously transcending his power to exercise it for reasons in no way connected with the operations of his Department. If it were shown that the bank is not a safe depository of the public treasure, that would be a conclusive reason for removing them. If the bank had failed to comply with the stipulations of the charter, in transmitting the public moneys from one point of the Union to another, when required by the Government to do so, that would be a satisfactory reason. In fact, any failure on the part of the bank to comply with its engagements to the Government, would be a reason of more or less

weight. Indeed, if it could be shown that the Treasury could make an arrangement with the State banks more favorable to the Government, than that subsisting with the bank, even that might be an adequate reason if the bank would not serve the Government on the same terms. But how stands the fact? Are the deposits acknowledged to be unsafe in the bank? Why, Sir, it is now admitted by all parties, even by the gentleman from New York, (Mr. CAMBRELENG,) who prophesied so dismally of coming disasters at the session before the last—and the Secretary of the Treasury himself—that the deposits were perfectly safe in that institution. Not only so; but it seems that from having been an insolvent concern, and an unsafe depository of the public funds, as the Government strenuously endeavored to show at the last session—the bank now has too much specie in its vaults! Yes, Sir, the charge now is, that this horrible monster is so unreasonably voracious of specie, as to have accumulated more than ten millions in its vaults. It is, then, a safe depository. Has it failed in any of its engagements with the Government? Has it refused to transmit the public moneys wherever required for disbursement, promptly and without charge? Sir, I speak considerably when I say that there is not a Government on the face of the earth, be the sphere of its operations large or small, which has been so well served in its financial operations, as this Government has been by the bank. Look, Sir, at the astonishing fact that in the collection and disbursement of our immense revenue for seventeen years, amounting to four hundred and forty million of dollars, not a dollar—no Sir, not a single dollar, has been lost in the operations of collecting and disbursing! Nor is this all. No creditor of the Government has had to wait one moment for his dues so far as the bank has been concerned; and moreover, when he received his money, it *was* MONEY. God grant that I may be able to say so two years hence. Thus, Sir, as it regards the operations of the bank, we are “in the full tide of successful experiment.” Our currency from unsoundness and derangement, has attained a degree of purity and uniformity unequalled by that of any country in the known world of the same geographical extent. We have had to pay a mere nominal exchange on the most distant commercial operations, and the fiscal operations of the Government have been carried on without any expense at all. Thus, Sir, with a solvent bank—the most solvent I

might say in the world—a safe depository for the revenue, and a perfectly sound and uniform currency—in a word, while in the enjoyment of all that the heart could desire in these respects, what do we now witness? After two years of unremitting and unexampled persecution of the bank by the Executive Government; after an unsuccessful attempt to destroy its credit by all manner of calumnies which have recoiled upon their authors; notwithstanding the bank has fulfilled to the very letter every stipulation contained in its charter; yet have the public funds of the country, been arbitrarily removed from this safe depository where the law had placed them by the President of the United States, without a shadow of legal power, and that, Sir, for no legal offence, but for *OPINION'S SAKE*. Yes, Sir, in this land of liberty, where all men were believed to enjoy the most perfect and unrestricted freedom of opinion, and the right too to the unrestrained exercise of all the *influence* they may choose to exert in political affairs; a great institution has been assailed, its stockholders and officers disfranchised, and the property of widows and orphans trampled in the dust by the foot of a tyrant; and all this for no other crime than the free exercise of political opinion, and if you please, the free exertion of political influence. Pray, Sir, what right has the President of the United States to say that the stockholders of the bank or its officers, shall not interfere in *his* election? I believe that no portion of our fellow citizens have so studiously abstained from meddling with party politics as the officers of the bank. But supposing they had taken ever so active a part even in his election, has *he* any right to forbid it? Because a citizen has placed his capital in a bank, is he, therefore, disfranchised? Shall he not dare to open his mouth in opposition to the election of the President, without incurring the guilt and the penalty of *violated majesty*? Are we already in the reign of Tiberius? Even in his time, this would scarcely have amounted to that high crime against majesty. This reason so gravely urged by the Secretary of the Treasury, following the lead of the President, so far from having any weight with the House, is of a nature to produce the strongest indignation. What is the plain English of it? What does the President mean when he says that the bank must not interfere in his election, or attempt to acquire political power? Sir, I will tell you what he means. Does any man suppose that if the bank had consented to be an executive partisan, and do whatever the adminis-

tration ordered; if it had put out Jonathan and put in John when commanded to do so—that we should have heard any objections to its exercise of political power? The President's meaning is perfectly plain. When he says the bank agents must not interfere in elections, he means that they must not oppose his election, but become the mere creatures and tools of the administration.

This, Sir, was the attempt made at an early period of this administration; I do not say by the President, or by any person then in the Cabinet, but by those who were very near the throne. The effort was to induce the bank to discard the president of one of its branches who was confessedly competent to the discharge of all the duties of his station, on the ground of his political opinions. The bank resisted this attempt as it ought to have done, and a vindictive war has been urged against it ever since. So far as the present board is concerned, (and I believe those of most of the branches,) its members have carefully abstained from mingling, as partisans, in the political contentions of the country, because it was their interest to do so. They even made the attempt—a desperate one to be sure—to conciliate *this* administration, by servilely performing all their engagements with the Government, and even going beyond them. But it was not to be conciliated by such means. The plans and purposes of certain individuals near the President, had been thwarted, and the feelings of the President have been so artfully wrought upon, that the destruction of the bank has become his ruling passion, and he seems now to believe that there is no nuisance in the world that so much requires to be exterminated as the Bank of the United States.

If I were to decide upon principle, what should be the course of a National Bank, in regard to the politics of the country, I should say that it is desirable that the present, and all future banks of a similar kind, should be habitually opposed to the Executive Government. It would be an admirable balance in our system, and would tend to check the fearful tendency to Executive encroachment. We have nothing to fear from that operation. The real danger lies in an opposite direction. It is that the President should convert the bank into a mere instrument of his will, and should wield its power, which has been represented as so tremendous, in addition to the still more tremendous power which he derives from the patronage of such a Government, and that overwhelming tide of popularity



which will generally follows the man who distributes that patronage.

But, Sir, the President seems to be fully aware of the danger arising from this meretricious connexion between the banking and the Executive power of the country. In the manifesto he very properly and wisely expresses himself thus: "It is the desire of the President that the control of the bank and the currency shall, as far as possible, be entirely separated from the political power of the country." Never was there a more wise and patriotic sentiment, and the man who should act up to it would be richly entitled to be President of the United States. There, Sir, is the precept. Now for the practice. The President, it seems, is anxiously desirous that the control of the banks should be separated, as far as possible, from the political power of the country. And what has he done? He has, in effect, said that because the official agents of the Bank of the United States have dared to oppose his election, the faith of the nation shall not for a moment stand as an impediment in the way of their condign punishment. And what more has he done? He has not only punished the Bank of the United States, for opinion's sake, by removing the deposits, but he *has set up the public treasure in the political market to the highest bidder!* Yes, Sir, I sincerely believe that the President of the United States is doing that which, if not speedily arrested, will create a system of Executive control, and bank dependence, that will subvert the liberties of the country. By way of separating the bank and currency from the political power of the country, and avoiding the corruption which such a connexion must engender, we are to give to the President or his pliant instrument, the Secretary of the Treasury, (and after what has occurred he will never want such an instrument,) some twenty millions of public money to be distributed among the various local banks throughout the country according to the complexion of their political opinions. Sir, the danger of such a system admits of no exaggeration; and I speak not the language of exaggeration, when I say that, as God is my judge, I would rather trust even Gen. Jackson with 50,000 mercenary soldiers, with the military bill of the last session asking authority for using them, than to give him permanently this power of purchasing up the local banks, and through them controlling the whole community. Sir, we might resist the mercenaries, but it would be utterly impossible to resist such an insidious all-pervading power as this. With twen-

ty millions of public money, the President could get absolute control over some forty or fifty local banks *judiciously* selected with a view, not to the separation of the political and banking power—no, Sir, but with a view to a result precisely opposite. Every man in the least acquainted with the principles of human nature, must know that the banks selected would be, or would become, so many political partisans of those in power. Sir, we have some light thrown upon this subject by our experience already. It is scarcely two months since certain banks were selected to receive the deposits unlawfully removed from the Bank of the United States, and already have we seen two of their officers in the political arena.

A president of one of these banks in Baltimore is before the public, in the newspapers, vindicating, as in duty bound, the Secretary of the Treasury; and I understand another has pursued a similar course somewhere in Virginia. But we are assured by the President that the moment the officers of a deposit bank interfere with politics, the deposits must be removed; yet have heard nothing yet of any such movement against these banks. But I have no doubt that if they had dared to say a word *against* the President, they would before this time have received such a *hint* as was given to the late Secretary of the Treasury.

Sir, I should be much more disposed to rely on the declaration of the President concerning his anxious desire to separate the banking and executive power, were it not for the experience we have already had of the woful discrepancy between his profession and his practice. I do not attribute this to any wilful duplicity in the President. I believe when he makes professions he feels, for the moment, as he speaks. But I concur in the opinion expressed of the President, by a gentleman who lately held a distinguished place in his cabinet. I believe with him that the President "has no fixed principles; that he does not arrive at conclusions by the exercise of reason," but that "*impulses and passions have ruled.*"

What has been the difference, then, between the professions and the practices of the President? I have heard a great deal about the *principles* (I beg pardon for using a word which I believe is nearly out of the fashion) upon which General Jackson came into power. And I have a right, sir, to speak of these, with some authority, for I stood then in the midst, yes, sir, in the very brunt of the then unequal contest, waged against "principalities and powers," when

the miserable sycophants--yes, sir, the miserable reptiles, who have literally crawled in their own slime to the footstool of executive favor, stood then on the side of those who still held patronage and power. What, then, were the principles upon which the present chief magistrate came into power? Why, sir, we had taken up the notion that the officers of the federal government had become a little too pragmatical in interfering with the political contests of the country, and that, as a matter of principle, they ought to be restrained from using the influence of their offices in this way. And, accordingly, the President, in his inaugural address, told the country that one of the crying sins of his predecessors had been, that they had permitted office holders to interfere with popular elections.

Now, I put it to all men who have eyes and ears to see and hear what has passed, and is passing, whether there ever was a period since the formation of the government, when *all* the officers of the executive government, from the highest to the lowest, approached so nearly to the likeness of an army of trained mercenaries, moving at the nod of their leader. Why, sir, no man can now breathe the air that surrounds the palace, who does not think precisely as the President thinks, and who will not consent to be docked or stretched until he fits the bed of Procrustes, and his political opinions are brought to the true executive dimensions. Upon this principle officers have been discarded, and offices filled; and this is the promised REFORM! Yes, sir, this process of turning out officers who are opposed to the administration, and putting in its partizans, has proceeded so far, that the very word reform has become synonymous with turning out an officer and putting in a partizan.

The rule seems to be, to turn out all who have no other merit than qualification for the office, and put in those who will most obsequiously adopt the opinions, and bow to the will of the President, or of those who control him. Sir, it is notorious, it is known to the whole world, that the places of those who have been removed from office, have been habitually filled by noisy and open-mouthed partizans of the administration, and very frequently by men who have no other merit. When, therefore, the President tells us that he is anxious to separate the control of the banks from the political power of the country, I must understand him to mean that he is anxious that the control of the banks shall be in the hands of those who will not dare to oppose his administration.

I appeal to every man who has any knowledge of the events which are passing, whether, if we decide that the local banks shall be the depositories of the public revenue, it will not become a matter of political bargaining between the executive and those banks. All of us know what is now going on. Indeed, I fear the time will never come when the election of a President will not be the all-engrossing and paramount object of the leading and active politicians of the country. Do we not all know that the great question now at the bottom of all others is, who shall fill the throne when the present incumbent shall descend from it? It is a contest for the succession, and the administration party is now notoriously organized, as completely as a party ever was organized, to insure the election of the "heir apparent." Under this view of the subject, I cannot but advert to one of the reasons assigned for the removal of the deposits, viz. the approaching expiration of the Bank charter. Now, if I am capable of reasoning at all, this is one of the very strongest reasons why the President should have abstained from depriving the bank of its chartered rights, by an arbitrary exercise of power. In little more than two years, by the limitation of its charter, the Bank will cease to have any influence or power. The principal and controlling objections urged by the President against the bank, are completely answered by this fact. If, as we are told, it is a dangerous institution, and calculated to subvert the liberties of the country, can any one suppose that it will do this in two years? What, then, is it that the bank could accomplish in this short period, which has produced such apprehensions? I will tell you, sir; it may exert an influence in the election of the next President, unfavorable to the executive favorite. Hence; sir, the importance of selecting new depositories of the public revenue, and of organizing a system of political banking. And I will venture to predict, that in two years from this time, if we do not arrest the proceeding, there will be a perfect organization of the deposit banks from Maine to Louisiana, and the political and monied power of the country will be concentrated in the same place, and in the same hands. All these banks (the result is inevitable) will be actuated by the same political spirit, governed by the same influence and wielded by one man. Not only the twenty millions of public revenue, but a hundred millions of bank capital will be thus wielded for political purposes, to the corruption of the public morals, and the subversion of the public liberty.



In every respect the President has selected the most unfortunate period for this most pernicious interference with the banking operations and credit of the country. We are told, however, that the measure was adopted to enable the Secretary of the Treasury, by timely arrangements with the State banks, to prepare a substitute for the bills of the United States Bank, and to prevent the derangement, which would otherwise take place in the currency, at the expiration of its charter. Now, it is obvious that the removal of the deposits at this time will not at all decrease the embarrassment which must take place when the Bank of the United States calls in its debts and winds up its concerns. The directors of the bank understand their duty and interest well enough to know, that the government deposits would be a part of the debt of the institution, for which they would make the same provision as for their other debts. The effect, therefore, of the removal *now*, was to produce all the present pecuniary distress gratuitously, and in addition to that which must take place at the expiration of the bank charter.

Nor is there any just foundation for the belief that the Secretary of the Treasury can provide any substitute for the bills of the United States Bank, that will have a general circulation and credit throughout the union. While that bank exists, as a check upon the excessive issues of the local banks, their paper will be good in their respective spheres of circulation. To give them a credit and circulation beyond this is what the Secretary of the Treasury never can accomplish. It is certain that the arrangements which he has made with the new deposit banks effect no such object. Have these banks stipulated reciprocally, to receive the bills of each other all over the Union, in payment of the government dues? No such promise is made, sir. On the contrary they stipulate to receive in deposit from the government only such bills of the banks in their vicinity as are in good credit, and usually received by them in the transactions of commerce.

Would a note of the deposit bank at Norfolk be received from the government debtors in Charleston? Why, sir, if you were to go with a note of the Metropolis Bank to Richmond, you could not make it available, at par, to pay a debt to the government.

Such are the evils to which the community is already exposed, and if the Bank of the United States were destroyed, we should soon have all the blessings of a depreciated currency, broken

banks and a rate of exchange averaging from five to ten per cent, operating as a tax to that extent upon all the distant operations of commerce, for the benefit of money changers. Neither is it true, sir, that the removal of the deposits to the local banks has strengthened their credit, and enabled them to make a corresponding enlargement of their accommodations to the community. Indeed, it may be well doubted whether the credit even of the deposit banks has not been impaired by this proceeding. There is a rumor that one of the deposit banks has requested the Secretary of the Treasury to restore the deposits to the United States Bank. I will not vouch for the fact, but it so well corresponds with what I believe to be the true interest of the deposit banks, that I am the more inclined to give it credit. I am well assured, that for the last ten years there has been nothing like the present pecuniary embarrassment; and if the Bank of the United States were to do what it has a right to do, and what, I believe, prudence requires it to do—curtail its discounts in proportion to the amount of the deposits removed from it, it is impossible to estimate the extent of the pressure upon the State banks, or to foresee the consequences.

While on this branch of the subject, I will notice another of the arguments of the Secretary of the Treasury. He says, in the profoundness of his financial knowledge, that one object he had in view in removing the deposits at this time, was to save the community from the injurious effects which would otherwise result from the depreciation of the notes of the Bank of the United States, at the expiration of its charter! Now, Sir, can any thing surpass the extravagance of this notion, and is it not amazing that such wretched absurdities should be gravely presented to Congress? Here, Sir, is a bank not only solvent by the admission of the Secretary, but having in its vaults ten millions of specie, and a capacity of realizing in sixty days a sufficient fund to redeem its whole circulation; and yet we are told that as the day approaches when these notes will be certainly redeemed by specie if demanded, they will depreciate in value, to the great loss of the holders? Why, Sir, a common farmer would ridicule the nonsense of the man who should tell him that a note held by him on his wealthy neighbor, and which would be certainly paid when due, would become less valuable at the moment of its payment, than it was when it had two years to run.

Who, Sir, can really believe that the notes of

the bank will depreciate to the extent of one fourth of one per cent? And yet, this miserable pretext is thrown in to palliate this pernicious and ruinous measure, which must greatly depreciate the value of every species of property throughout the country.

I will now proceed to consider the only substantial ground assigned by the Secretary for the removal of the deposits. It is a ground which, if it were true in point of fact, would be entitled to the consideration of the House. It is alleged that the unusual and unnecessary curtailment of the Bank of the United States from the 1st of August till the 1st of October, had produced such extensive embarrassment in the commercial community, as to render it absolutely necessary for him to act so promptly in the business, that he could not even wait until Congress should again be in session. If this were true—if it can be shewn that the bank has pursued an unusual and unjustifiable course in curtailing its discounts to oppress the community, this would certainly be a reason of considerable weight, justifying the course pursued by the Secretary of the Treasury.

But what are the facts? We are told that from the first of August, to the 1st of October, the bank reduced its loans to the enormous amount of between six and seven millions of dollars, whereas, in truth, the bank in that period, reduced its discounts only *one million ten thousand dollars*! I repeat, Sir, that the *discounts* of the bank—I speak technically—were reduced only to this extent; and the whole amount of the reductions in all the operations of the bank, including the domestic bills purchased, (which are not loans, (was little more than four millions of dollars, and yet we have been officially informed by the Secretary that the reductions of the bank, or to use his peculiar language, its “*collections from the community*,” have amounted in two months, to upwards of six millions of dollars. It is worth while, Sir, to look a little more minutely into the process by which the Secretary reaches this financial result. The sum of \$6,334,000 set down as the precise amount of the curtailment is made up by adding to the discounts proper and domestic bills of exchange purchased, the increase of the public deposits amounting to upwards of two millions. Now, Sir, whether we consider the Secretary as using the technical language of banking or the language of common sense, I cannot but regard this as a gross attempt to impose upon the community. What

does it amount to? That the increase of the public deposits is equivalent to a reduction of the discounts of the bank. In other words, the bank is condemned for not extending its discounts by lending out the Government deposits, when the Government was notoriously making arrangements to remove these deposits! Yes, Sir, the bank that has been denounced for extending its discounts at a period of great commercial embarrassment—the bank that had on that very ground been charged with using its funds to control the elections—that very bank is now denounced from the same quarter, because when the public deposits were about to be removed by a lawless exercise of power, it did not extend its discounts upon the faith of those deposits! Can any thing be more characteristic of the capricious despotism exercised over the bank? The directors of the bank would have deserved to be *cashiered*, if they had not provided for the approaching storm, by preparing to deliver up the public deposits instead of lending them out under the existing circumstances.

The Secretary of the Treasury goes on to give a most dismal account of the public distress produced by this unreasonable conduct of the bank, alleging that the removal of the deposits became an imperious duty as a means of arresting it. I grant, Sir, that if the domestic bills purchased by the bank are fairly to be regarded as a part of its loans, the curtailment from August to October, amounted in the aggregate to a little more than four millions. But the exchange business cannot with any propriety be so regarded. It does not consist of loans, but as the term imports, it is the means of transferring funds from one place to another. When a northern merchant or manufacturer purchases cotton at the south, he sells a bill to the bank payable at New York in ninety days, and by the time it falls due the cotton is there and sold to meet it. The object of this transaction is to save the risk and trouble of transmitting money from the north to purchase the cotton. The bill is paid off in full at its maturity, as a matter of course, and upon no commercial principle could it be regarded as analogous to demanding the payment of a discounted note. But even if they were so regarded, the whole amount of the curtailment would be only four millions, instead of six, as the Secretary states. That is to say the Government had evinced a determination to deprive the bank of eight millions of the capital



upon which its discounts had been based, and the bank to prepare for this contingency had reduced its discounts four millions of dollars, about one half of the extent to which its means were about to be diminished. But the bank had not only been thus curtailed in its banking capital, but it has been subjected, in common with the State banks, to all the panic and pressure produced by this rash and lawless act of the Government. Its reductions, therefore, so far from being excessive, are such as common prudence rendered indispensable to its safety, and are less than the act of the Government would seem to require. But a further charge is brought against the bank by the Secretary. It is that it has adopted the heartless and monstrous policy of accumulating specie in its vaults to prepare itself for these hostile movements of the Government! It seems that between the 1st of August and the 1st of October, its specie had increased \$639,000, and the Secretary "believes" it was drawn from the State Banks. And what proof does he adduce of this fact? Why, Sir, strange as it may appear, that the Bank of the United States had permitted the balances due to it by the State banks to increase from \$368,000 to \$2,268,000 during the two months in which this operation is alleged to have taken place! Such, Sir, are the proofs that the Bank of the United States has endeavored to drain the State banks of their specie.

But even if the bank had curtailed its discounts to the extent alleged, and that curtailment had produced all the suffering experienced, the Executive Government, and not the bank, is responsible to the country for the calamity. I never have read a more unfair and jesuitical argument than the one used by the Secretary to throw the odium of his own conduct on the bank? It is well worth perusal.

"The capacities of the bank, therefore, at this time, to afford facilities to commerce, was not only equal, but greatly superior to what it had been for some time before; and the nature of the inquiry made of the State banks, confined as it was to the four principal commercial cities, showed that the immediate withdrawal of the entire deposits from that bank, so as to distress it, was not contemplated. And if any apprehensions to the contrary were felt by the bank, an inquiry at this Department, would no doubt have been promptly and satisfactorily answered. (I wonder who would have answered it.) The Secretary proceeds: "And certainly it was the duty of the bank, before it adopted a course op-

pressive to the whole country, to be sure of the ground on which it acted. It can never be justified for inflicting a public injury, (here is a nice question of casuistry,) by alleging mistaken opinions of its own, when the means of obtaining information absolutely certain, were so obviously within its reach. The change was *always* designed to be gradual."

Now, Sir, did the Secretary suppose when he made these assertions, that the manifesto of the President was entirely forgotten? Did not the President publish his decree in September, that the deposits should be *all* removed on the 1st of October, and sooner if practicable? Yet in the very face of this declaration of the President, we are told that it was always designed to remove the deposits gradually, and that the bank ought to have ascertained this by asking the Secretary of the Treasury. Sir, who was the Secretary of the Treasury? Was it not Mr. Duane; and pray what information could he have given if the bank had applied? Subsequent events have shown that he was quite in the dark on the subject. The whole spirit of the proceedings of the Government, made it the duty of the bank to consider the removal of the deposits as a measure decided upon and prepared for all the consequences of so dangerous and hostile a movement. Yet when the administration has brought this great calamity upon the country without the shadow of a cause, and the denunciations of the community begin to burst forth in all quarters, in a voice of thunder, why, forsooth the Secretary of the Treasury exclaims—"Thou canst not say I did it." It was the bank, that monster of corruption, that heartless tyrant, that has produced all this suffering, without necessity, and purely to gratify its vindictive feelings." No, Sir. It is in vain that the administration, after wantonly producing this great calamity, by an act of injustice and tyranny, attempts to throw the responsibility and the odium upon the persecuted victim of its injustice.

I will now proceed to inquire whether the specific charges brought against the bank, and which have been made the grounds of removing the deposits, have any foundation in fact. It is alleged that the bank has violated its charter, in delegating certain Executive functions to what is called the exchange committee; whereas one of the fundamental articles of that charter declares "that not less than seven directors shall constitute a board to do business."

Now, if it were true that the charter has been violated, the President might have ascertained by

consulting that charter, that it was his duty to direct a *scire facias* to be issued against the bank in order to have this question decided judicially by the federal court, instead of condemning and punishing the institution in this summary manner without a trial. But it did not suit the temper of the President or the purpose of his advisers to adopt a legal course. Indeed, Sir, I much question whether a respectable lawyer could be found in the United States, who would hazard his reputation by standing up before the court upon such an issue.

In providing that not less than seven directors should constitute a board, the charter meant no thing more than that the legislative authority of the bank—the power of prescribing the rules and regulations for its general government, should not be exercised by less than seven directors. The commitment of certain executive duties to subordinate committees, is no violation of this article, provided these committees are appointed with the approbation of the board, and in conformity with the rules prescribed by it. Every person acquainted with the details of banking, knows that a large portion of the business of all banks is necessarily done by its officers, without the presence of the directors, though by their authority. If all the duties of a president of a bank, were required to be performed in the presence, and by the direction of the whole board, it would be impossible to carry on the business of banking. It would be like forbidding the President of the United States to perform any of his appropriate duties, without the presence and concurrence of the members of the legislative body—a very inconvenient incumbrance, Sir, to which I do not think the President would readily submit.

A great effort has been made to create the impression, that there is something extraordinary and unprecedented in the operations of the exchange committee. It is treated as a dangerous and recent innovation. Now, as early as the year 1821, when Mr. Cheves was at the head of the bank, this very authority to purchase bills of exchange, was delegated to the president and cashier alone.

But it is alledged that this arrangement is an invention designed for the purpose of excluding the Government directors, not only from a due participation in the operations of the bank, but from a knowledge of them. Now, Sir, the absurdity of this suspicion will be seen at once by looking into the machinery and details of this system, and by ascertaining the circumstances un-

der which the power delegated to the Exchange Committee is exercised. The President and his Secretary seem to regard it as an independent power, exercised without any effective responsibility to the directors; whereas the proceedings of this Exchange Committee are regularly entered on the books of the bank, which are submitted to the board of directors at every regular meeting, and as only a few days intervene between these meetings, the proceedings of the Exchange Committee are constantly open to the inspection and review of the Government directors. Indeed, it may be almost said that the proceedings of the Exchange Committee are carried on under the eye of the board, so speedily is every act laid open to it inspection. No concealment from the Government directors was possible under these circumstances, when it is notorious that the books of the bank are always open to their inspection, if they thought proper to inspect them.

Another charge brought against the bank which I was surprised to see, is the old story of the three per cents again! This dish, it seems, we are to have cooked and served up in all the various modes of culinary preparation, so as to be adapted to every palate. This charge was brought forward at the last session, and referred to the Committee of Ways and Means; who reported that the arrangement made by the bank with the holders of the three per cent. stock, so far from delaying, actually hastened its payment. Why was that arrangement so vehemently denounced? I will briefly explain it. The Government had determined to pay off the three per cents. in October, 1831, at a period of great pecuniary pressure upon the commercial community, owing to the large importations of that year. The bank took that liberal and comprehensive view of the effect which this operation would produce upon the credit of the country, which it would have been well if the Government had taken, and stipulated with the holders of these three per cents. that the certificates should be delivered up to the bank, and the amount bearing a specified interest, entered to the credit of the holders on the books of that institution. By this arrangement the Government ceased to be responsible for the stock, and ceased to pay interest on it sooner than if the arrangement had not been made. How, then, were the views of the Government thwarted? By the relief which the bank thus extended to the community at a moment of great pressure? Without any loss to the Government, or any de-



lay in the redemption of the public debt, the bank was by this means enabled to avoid curtailing some six millions of its accommodations until the crisis of commercial embarrassment passed away. The arrangement, Sir, was essentially beneficial to all parties and injurious to none, and I am utterly at a loss to conceive why the ghostly form of these extinguished three per cents. is now conjured up in the array of charges against the bank. It serves no other purpose than to evince the spirit of the prosecution.

Another charge gravely urged against the bank, and of which the administration ought to be ashamed, is the criminal audacity of demanding from the Government, on a protested bill of exchange, the same damages which the Government itself has universally demanded of individuals under like circumstances!

The Government being desirous to obtain funds here in exchange for funds in Paris, the bank in the spirit of kindness and accommodation which has marked all its transactions with the Government, voluntarily offered to purchase a bill of exchange from the Treasury here upon the French Government, upon better terms than could be obtained any where else, or to advance the money to the Government here, and undertake the collection of the bill as its agent. The Treasury declined the agency of the bank, and sold it the bill on the French Government as a mere commercial transaction. From some cause the French Government refused to pay the bill and it was protested in Paris. The agents of the Bank there, paid it for the honor of the bank. But the President of the United States alleges that the sum paid here for the bill, was left in the bank and simply added to the amount of the public deposits. If this were true, it would not vary the case as to the legal liability of the Government for damages. But it is not true. On the contrary, the Secretary of the Treasury, under the authority of an act of Congress, gave public notice that the nine hundred thousand dollars obtained for this bill, would be loaned out for the benefit of the claimants for French spoliation to whom it belonged. It was, therefore, as much taken from the available fund of the bank, as if it had been immediately paid over to the claimants. The directors would have been stupid in the extreme, if they had regarded this as an addition to the Government deposits, and made it the basis of discounts. The bank having sold the bill in London, would have been liable to the full amount of legal damages on its being protested, but for the good fortune of having an agent in Paris who paid it. And now, Sir, after the bank has saved its own credit and that of the Government by this payment, the administration comes forward with a charge against the bank of assailing the credit of the nation, because it demands its legal rights! Sir, the faith of the nation has been tarnished—deeply tarnished—by the utter disregard the Government has manifested, in a mere question of legal right, to the great moral and religious precept of doing unto others as it would that others should do unto it. The Government has inva-

riably exacted the legal damages from individuals in similar cases. In the case of Stephen Girard, conclusive proof was adduced that the protested bill was immediately paid—by the agent of Girard, and not by the agent of the Government—and that not one cent of damages was sustained by the Government. Yet the twenty per cent. damages were exacted to the uttermost farthing. Under these circumstances it is a shame, a crying shame, that the administration should thus not only refuse to pay its just debts, but assuming the judicial power of deciding in its own case, attempt to forestall the opinion of the tribunals which are alone competent to decide the question. In every view it was the duty of the bank to make this claim, and of the Government to pay it. It was the only mode of obtaining damages from the French Government; for unless our Government shall pay damages, it can exact none from France. To say nothing of the other stockholders, the people of the United States own one-fifth of the stock of the bank, and they have a right to demand that the administration do not sacrifice upwards of thirty thousand dollars of their money, by its arbitrary and faithless conduct towards the bank. In every respect, this is one of the most audacious charges ever brought by the administration against the bank, to justify the high-handed measures by which they have attempted to destroy it.

I will now proceed, sir, to consider that charge against the Bank, which is the real moving cause of this persevering and relentless persecution. It is, as the executive expresses it, that the bank "has attempted to acquire political power," a charge unknown to any code of law, moral or political, and of that fearful vagueness which indicates the arbitrary spirit in which it originates. The first specification under this charge is founded on a resolution of the Board of Directors, authorizing the President of the Bank to have certain documents printed to illustrate its operations. To my mind this seems to be a very harmless resolution, but as the President of the United States has denounced it as a dangerous precedent, clothing the President of the Bank with powers subversive of the liberties of the country, I will beg leave to read it for the information of the House: "*Resolved*, that the President be authorized to cause to be prepared and circulated such documents and papers as may communicate to the people information in regard to the nature and operations of the bank." Now, I pray to know, sir, what application of the funds of the stockholders could be more useful and judicious, when the institution and its credit were assailed by every species of misrepresentation and calumny? But the President of the United States seems to regard it as equivalent to clothing the President of the Bank with the whole fiscal and military power of the country. He says:

"Was it expected when the moneys of the United States were directed to be placed in that bank, that they would be put under the control of one man, empowered to spend millions without rendering a voucher or specifying the object

Can they be considered safe with the evidence before us, that tens of thousands have been spent for highly improper, if not corrupt purposes, that the same motive may lead to the expenditure of hundreds of thousands and even millions more. And can we justify ourselves to the people by longer lending to it the money and power of the Government, to be employed for such purposes?"

It seems that the President of the United States has an instinctive abhorrence for discretionary executive power delegated to any one but himself. What is this power vested in the President of the Bank? It is not only harmless and innocent in its object, but perfectly safe as a responsible exercise of power. The President acts under the authority of the directors, with whom he is daily associated, who have daily opportunities of inspecting his proceedings, and to whom he is, therefore, under a constant and direct responsibility for the exercise of the discretion vested in him, as to the amount he may spend in printing documents explaining the operations and vindicating the credit and the character of the bank. Yet the President of the United States thinks this very insignificant power subversive of public liberty, when he is himself clothed with a discretion a thousand times more dangerous. Sir, when I recur to what was done here at the last session—when I reflect that an act was passed, I will not call it a law, and that too at the *special instance and request* of the President, clothing him with the power not only to spend the whole revenue, but to exhaust the credit of the nation in arraying a military power against a sovereign State of this Union, I confess I cannot but feel surprise and disgust to hear that President magnifying a molehill into a mountain, and talking about the danger of executive discretion! A simple resolution authorizing the President of the Bank to print explanatory documents is a monstrous proceeding, but an act clothing the President of the United States with dictatorial power, is all perfectly fair and proper! This brings very forcibly to my recollection another Dutch anecdote, and as I am in the way of drawing illustrations from this excellent class of our citizens, from whose very eccentricities lessons of wisdom may be deduced, I beg leave to relate it. In a certain Dutch vicinity, I will not say Kinderhook lest a question of location should arise—a lottery was authorised, and on a certain day the neighbors all assembled to witness the turning of the wheel. The drawing commenced, and blank after blank was drawn by the principal persons in the neighborhood until a general suspicion of unfairness began to prevail. A large bully stepped forward as the champion of his neighbors, threatening to *smash* the wheel to atoms, and declaring that it was all a "*willainous piece of cheatery*." In the midst of his rage, when every one was trembling for the safety of the wheel, a friend stepped up to him with great exultation, exclaiming, "my dear sir, have you heard the news? You have drawn the highest prize." "What, (said he) the highest prize! *It's as fair a ding as ever was.*"

And so, Sir, in the estimation of General Jackson, the discretionary power to print a few docu-

ments, when conferred on Mr. Biddle, is all a piece of cheatery, but when a discretionary power of levying war and spending money without any limitation is conferred upon himself, it is as fair a thing as ever was.

The President of the United States asks if a bank whose directors make such an application of the public funds is fit to be the depository of the public treasure? Sir, I wish the President of the United States had been as faithful to the trust committed to him as the agent of the people of the United States, who own one fifth part of the stock in this bank, as the directors and officers of the institution have been to their trust, as the agents of the stockholders in general. What, then, are the respective duties of the President of the United States and the President of the Bank, as representatives of the stockholders, and how have those duties been performed. The contrast is striking. It is equally the duty of them both to promote the prosperity and credit of the bank, in order that its capital may yield a large profit, and its bills furnish a sound currency. But what has been their conduct? For several years past, Mr. Biddle has been night and day exerting talents of the highest order, with a singleness and devotion never surpassed, to promote the credit and usefulness of the bank. And what has the President of the United States been doing in the same period? Has he exerted his influence to advance the credit and success of the bank, as the relation he bears to the stockholders and the country required him to do? No, Sir. On the contrary, he has been straining every nerve, and attempting to move heaven and earth to accomplish the destruction of its credit, and consequently of its prosperity. At a time when the bank was as solvent as any bank in the world, he suggested that the public deposits were not safe in its vaults. This charge, which in any other country would have shaken the credit of any other bank, coming from such a source, made not the slightest impression upon the Bank of the United States. Nothing can be said more highly creditable to the bank than that it was able to stand up against this assault upon its credit by the executive government, and a confederacy of speculators and stock-jobbers, which would certainly have prostrated the Bank of England.

And what a lesson are we taught at this very moment of the danger incurred by unskilful persons who venture to meddle with edged tools. The administration, or more properly the President, has struck a blow that it was supposed would shake the credit of the bank to its deepest foundations. That blow has recoiled. And while the credit of all the other banks has been shaken by the concussion, the Bank of the United States stands alone on a rock of adamant, bidding a proud defiance to the storm, and generously extending the hand of succor to other institutions. Yes, sir, I am informed that within a few days past this bank tendered a loan of \$50,000 to one of the local banks to relieve it from the pressure produced by this reckless and vindictive act of executive madness. Such, Sir, is the contrast between these two Presidents.



I come now to another of the specifications under the charge against the bank, of "attempting to acquire political power." It is alleged by the Secretary of the Treasury that between the 1st of January, 1831, and the 1st of May, 1832, a period of sixteen months, the bank increased its loans the enormous and unprecedented sum of \$28,000,000. And it is inferred that this extension of its loans could be designed for no other purpose but to give the bank a political influence to be used in opposition to the election of General Jackson. I will first examine the facts and then the logic of this specification. The Secretary states that "the aggregate debt due to the bank" on the 1st of January, 1831, amounted to \$42,402,304 only, whereas on the 1st of May, 1832, its loans amounted to \$70,428,070. Now, in fact, the discounts of the bank amounted to \$33,575,403 at the former date, and had only risen to \$47,375,078 at the latter date, making a difference in the accommodations to the community of only \$13,799,675, instead of twenty-eight millions as the Secretary's statements would induce the public to suppose. But this is not all. At the former period, the bank had a debt due to it by the Government of \$8,674,681, and by Baring & Co. \$2,387,331, making a sum of 11,062,012, which added to the discounts, raised the debt due to the bank in January, 1831, exclusive of domestic bills, to \$44,637,415, being only \$2,737,663 less than the amount of discount in May, 1832. It is apparent from this view, that the aggregate debt due to the bank in January, 1831, including \$10,456,653 of domestic bills, was \$55,094,068 instead of \$42,402,304, as represented by the Secretary of the Treasury, making the difference between the debt due to the bank at the two periods selected for comparison, even if we include the domestic bills, only \$15,334,002, and if we exclude these bills as not properly classed with bank loans, the difference will be only \$4,877,349. It will be here perceived that to make out his charge of an unprecedented extension of its loans by the bank in the sixteen months artfully selected, the Secretary has *suppressed* the debts due to the bank by the United States, and by Baring & Co. amounting to \$11,062,012, in stating the "aggregate debt due to the bank" in January, 1831. And I am constrained, Sir, to believe that this suppression was intentionally made, as the facts were upon the face of the monthly statements, and of a nature not to be overlooked, or misunderstood. When the bank converted its government and foreign debt into cash, what course could it pursue but make a corresponding extension of its discounts? This was not extending its debt, but changing its character, by lending to our merchants what it had collected from the government and foreigners. To censure this, argues a total ignorance of the duties of the bank, and disregard of the pressing wants of the commercial community at the period under review. It was a period of unprecedentedly large importations, when the heavy commercial debt contracted, and the unusual amount of bonds due to the government, required that the bank should draw in all its resources from other quarters, and apply them to

the relief of the commercial community. They were so applied, Sir, and were the means of saving probably hundreds and thousands from great distress, if not from bankruptcy.

I well recollect the lugubrious vaticinations of a gentleman from New York, (Mr. CAMBRELENG,) who told us that the bank had seduced the merchants into the excessive importations, and it could not save the country from general bankruptcy. But experience, which has falsified this prediction, has shewn that the bank understood its own duties and operations much better than those who chose to step out of their appropriate sphere, however enlightened on the general subject of political economy. The country not only passed through the crisis, by means of the wise and liberal course pursued by the bank, but passed through it without a struggle. The merchants would not fail, even to accommodate the gentleman from New York, and the country was brought out of its difficulties so naturally and smoothly, that it was hardly aware of the crisis. The bank is certainly entitled to the highest commendation instead of being obnoxious to censure, for effecting this great public benefit, without impairing its own credit—a result which the gentleman from New York deemed utterly impracticable. If I were to select the period, or the incident in the history of its proceedings, best adapted to illustrate its usefulness it would be precisely this. And I will only remark further on this point, that the intellect of that man must be woefully perverted, who can see in this proceeding no other motive or object, than to interfere in the Presidential election.

I have gone through all the charges brought against the bank that I deem worthy of notice, and I now beg the attention of the House to those urgent considerations which impel it to an immediate interposition of its authority. I need not tell those who hear me of the actual and impending distress and ruin which threaten our commercial cities, and finally the whole country. The evidences of this are every where to be seen. We can neither turn to the right nor to the left, without perceiving anxiety and dismay in every countenance. Is it not, then, the solemn duty of Congress to interpose its constitutional power to arrest the progress of this desolating torrent? We are called upon, Sir, by every consideration which can grow out of a just regard for our own contemned authority, or for the rights and liberties of the people. The President of the United States has unlawfully seized upon the public treasure. Where, Sir, is that treasure at this moment? No man here can tell us. By what authority has the President taken it? Let gentlemen produce it if they can.

Sir, Congress is peculiarly called upon to vindicate its right to the guardianship of the public treasure, because the President has attempted to forestall its decision and places it in a situation which may preclude the free exercise of its judgment. Why, Sir, was the change of the deposits, made only sixty days before meeting of Congress? I will tell you the reason. The President was fearful that he could

not induce even a drilled majority to do that which if already done upon *his* responsibility, it might be induced to sanction. He is a military man, Sir, and he knows the effect produced in desperate emergencies, when the General throws himself into the breach, and calls upon his soldiers to rush to his rescue, or witness his destruction. There could not have been selected a time for performing this act better calculated to show the President's defiance of the Legislative authority. And yet, Sir, the Secretary of the Treasury has come here with the miserable—I had almost said impudent pretence—that he was constrained to do it by the necessities of the country. It is not true, Sir. The President had only to announce that the deposits would not be removed until the question should be first submitted to Congress, and the public mind would have been put at ease. The Secretary well knew this. But the Executive Government has thought proper to thrust itself forward and place the subject in such a position as almost to deprive Congress of its free agency. We are now told by a gentleman from New York, (Mr. CAMERLENG,) that the restoration of the deposits to the Bank of the United States was an idea that struck him with alarm; that the country had already suffered too much from one removal to be able to endure the effects of another. It is for this reason that I have made my resolution prospective. I am not so reckless of the sufferings of the community, as to take away the money which has been actually deposited in the selected banks. I know we shall be told that the picture of public distress is exaggerated. One gentleman, indeed, (Mr. VANDERPOEL,) told us the other day, that it was *all a humbug* to ascribe the prevailing distress to the removal of the deposits. If this be a humbug, it is a very melancholy one. But whatever gentlemen may have thought three days ago, I believe there is no one who would *now* be bold enough to say that the removal of the deposits has had no agency in producing the public distress. The calamity can hardly be over estimated. Any idea which we can form of it here, will fall short of the sad reality. I confess, Sir, I have been astonished at the accounts brought by every mail. I did not believe that a scene of distress so sudden and extensive, could have been produced by the miserable tampering of the Government with the system of commercial credit. It is a mistake to suppose that it is confined to the merchants or to the commercial cities. It will extend like a wave until it affects every class and reaches the furthest limits of the country. In relation to one of the great national interests, I can speak with positive knowledge, as to the depression this measure has produced in the value of property. I confidently believe that every cotton planter, who did not sell his crop at the commencement of the season, has lost two cents on every pound of his cotton, in consequence of this measure. It is a fact without precedent, but conclusively shown, by a comparison of the Liverpool and Charleston prices current, that the price of cotton has been habitually five cents lower in this country, at any given

time, than the European prices published at the same time here. I presume all other descriptions of property have experienced a similar depression, and can well imagine that all property in stocks, public, or private, must have suffered even in a greater degree. It is stated on good authority, that the stock of the Girard Bank, the one selected in Philadelphia to receive the Government deposits, has fallen from 70 to 54 since the 1st of October.

An administration that will thus wantonly tamper with public faith and private property, to promote the selfish purposes of individuals—whatever else it may be called—does not deserve the name of Government. In what, I would ask is all this to result? I am not sure that I know precisely what is its *object*, but I can tell you very certainly what will be its *end*. It will be, Sir, the sacrifice of the industrious and enterprising classes of the community, to promote the interest of speculators and stock-jobbers. Hundreds of industrious men, whose credit is their principal capital, will be ruined, while the money lenders and money changers will realize princely fortunes, making a rich harvest of the public distresses. If there be any speculators in the stocks—whether connected with the administration or not—who have stipulated to deliver certificates of State bank stock on a given day, they may profit by this act of the Government. But if there be any who have calculated to make this measure subservient to their speculations in the stock of the United States Bank, I rejoice that they will be disappointed. The stock of that bank has been less affected than any other.

And now, Sir, in concluding my remarks, I must be permitted to say, that if we ratify this proceeding of the President and Secretary of the Treasury, by refusing to order the restoration of the deposits—in addition to the present suffering and distress of the people, we shall permit a system of political banking to be entailed upon the country, utterly incompatible with public liberty. If we intend that it shall ever be arrested it must be done *now*. For if we give time the complete establishment of this confederacy between the Executive Government and the State banks in all its ramifications of dependant interests, I will defy all human power to break the league or resist the man who wields its power. Is it not apparent that it will convert the deposit banks into dependants and partisans of the President? Is it not equally apparent that the politician who controls these banks, will indirectly control all those who are indebted to them, and thus obtain an absolute control over the public will? If this House shall confirm the act of the President, it will be, in my humble opinion, establishing in perpetuity, a corrupting connexion between the banking capital and the political power of the country, and placing them both in the hands of one man. I trust in God that the country will not be destined to such a condition by the vote of this House. If it should, I can only pray that a power more than human may be interposed for its rescue.